GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:3692
ANSWERED ON:19.12.2005
PRIVATISATION OF ACTIVITIES OF FCI
Yadav Shri Mitrasen

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) Whether services of the private sector are being utilised for transportation and storage of foodgrains by the Food Corporation of India;

(b) if so, the reasons therefor;

(c) whether contracts for the said work have already been handed over to the private parties;

(d) if so, the details thereof alongwith the names of the private contractors; and

(e) the terms and conditions under which the said contracts have been awarded indicating the period of contract?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (DR. AKHILESH PRASAD SINGH)

(a) & (b): Though private contractors are utilised for handling and transport, and, in selected places, private godowns are taken on rent wherever necessary, there is no privatization of the core activities of the FCI. However, Under the National Policy of Handling, Storage and Transportation of Foodgrains approved by the Government, private sector participation would be sought and encouraged for bulk handling, storage and transportation of foodgrains.

(c), (d) & (e): Under the National Policy on Handling, Storage and Transportation of Foodgrains, a service agreement has been signed between M/s. Adani Exports Limited and the FCI in June, 2005. Storage facilities are to be created on Build-Own Operate (BOO) basis for which the FCI would provide guaranteed utilization of these facilities to the extent of 100% for the first ten years and 75% for the next ten years. The project is to be completed in 3 years.